Today, on behalf of the State of South Carolina, I offer a word of thanks as Ms. Kitt embarks on a performance from her heart. This week she participates in a special homecoming performance of Walter Rutledge's "SOULS—The Calah'' benefiting Benedict College in Columbia, SC. Ms. Kitt's extraordinary talents, which have endeared this woman of the South to an international audience, will now be showcased for those back home.

I join with all South Carolinians in thanking Eartha Kitt for the example she has set, the accomplishments she has achieved, and the contributions she has made to our cultural livelihood. Her life as a testament to what one can achieve if their dreams are not deferred.

IN PRAISE OF CREDIT UNIONS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. KUCINICH. Mr. Speaker, I rise to praise credit unions. Credit unions do not charge exorbitant bank fees; they do not have excessive account minimums. They make low interest loans, mainly to their members in the communities in which they live. Credit unions are run by their members, who have a voice in the operation and policies of their credit union.

Small businesses depend on credit unions for those reasons because offering credit union membership as a benefit to prospective employees is a benefit which workers value.

Credit unions are very small compared with banks. The average credit union has less than $28 million in assets—less than one-sixteenth the assets of the average bank. The two largest U.S. banks—Chase and Citibank—combined have more assets than all 12,047 credit unions combined.

Credit unions are modest compared to banks. Banks today control nearly every dollar in savings—93 percent—and in loans—94 percent—in the United States.

Banks overshadow credit unions by market share and profitability, as was recently detailed in the March 14, 1997, edition of the American Banker, ''Commercial Banks Set $52 Billion Profit Record Last Year, FDIC Says.'' I commend it to my colleagues.

[From the American Banker, Mar. 14, 1997]

COMMERCIAL BANKS SET $52 BILLION PROFIT RECORD LAST YEAR, FDIC SAYS

(By Dean Anason)

WASHINGTON.—The banking industry earned a record $52.4 billion last year, although losses on consumer loans continued to grow.

The Federal Deposit Insurance Corp. said Thursday that the nation's 9,528 commercial banks earned $13.7 billion in the fourth quarter, up 14.5% from the same period a year ago.

For the year, profits rose 7.5% despite the $650 million banks paid to help rescue the Savings Association Insurance Fund.

Profits were driven by noninterest income from fees and service charges, which increased 13.5% in 1996 to $93.6 billion. Interest income rose to $162.8 billion, but at half the rate of noninterest income.

Despite the record profits, FDIC Chairman Ricki Helfer described as ''worrisome'' the yearend statistics on consumer loans, particularly credit card loans.

Net loan losses rose to $15.5 billion, a 27% increase from 1995. Credit card loan writeoffs accounted for $9.5 billion of that total.

''We have seen both delinquent and noncurrent consumer loans increase at the same time that chargeoffs have risen dramatically,'' Mrs. Helfer said. ''Chargeoff rates are approaching the levels reached in the last recession.''

Commercial banks wrote off 2.29% of their consumer loans, compared with 1.73% in 1995. Credit card writeoffs amounted to 4.3% in 1996, up from 3.4% the previous year. Writeoffs reached 4.72% in the fourth quarter.

The doubling of credit card loans in the past four years and rising personal bankruptcy filings only exacerbate concern, Ms. Helfer said.

Ms. Helfer declined to say whether banks should tighten their credit card lending standards more, but she cautioned that banks must be ''very careful'' in making assumptions about a very unpredictable line of business. Further, she warned against underestimating risk caused by liabilities from credit card loans that have been securitized.

Not all loan categories performed poorly. Commercial and industrial loans rose 7.3 percent to $710 billion, and real estate loans jumped 5.5 percent to $1.1 trillion.

Average return on investment approached record levels, rising to 1.19 percent in 1996 from 1.17 percent in 1995. Nearly 70 percent of banks equaled or surpassed the traditional benchmark 1 percent ROA.

The industry's asset growth slowed for the second year in a row, increasing 6.2 percent to $266 billion in 1996. Assets had grown at annual rates of 7.5 percent and 8.2 percent in the two prior years. Ms. Helfer described that as ''probably a good sign'' considering that rapid asset growth in the late 1980s and early 1990s foreshadowed industry downturns.

The bank deposit insurance fund topped $2 trillion for the first time and reached reserves of $1.34 for every $100 of insured deposits at the end of 1996. After a $4.5 billion capitalization in October, the thrift fund achieved reserves of $1.30 for every $100 at the end of the 1996, versus 55 cents per $100 six months earlier.

A slowdown in merger activity and rising numbers of new banks caused the smallest quarterly decline in commercial banks in 11 years, according to the FDIC. Only five banks and one thrift failed in 1996, the fewest since 1972.

Echoing recently released figures by the Office of Thrift Supervision, the FDIC reported healthy thrift profits, too. The nation's 1,924 savings institutions earned $7 billion in 1996 despite spending $3.5 billion to capitalize the thrift fund.

INTRODUCING THE CORPORATE RESPONSIBILITY ACT OF 1997

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. VISCLOSKY. Mr. Speaker, today I am introducing legislation that will cut an estimated $35.3 billion in corporate welfare over the next 5 years. My bill, the Corporate Responsibility Act of 1997, eliminates or reforms 12 Federal programs that currently use billions of taxpayers dollars to subsidize corporate America.

I am introducing this legislation because I am extremely concerned about the hundreds of billions of taxpayer dollars spent every decade on special interests and Fortune 500 corporations. Estimates of current total corporate welfare expenditures range from $200 billion to $500 billion over 5 years, money that would go a long way toward balancing the budget and investing in our future. Last year, the Congress passed important legislation to reform the welfare system. It is time to reform the corporate welfare system by getting dependent companies off the Government dole.

In the 104th Congress, I introduced similar corporate welfare legislation. That bill, H.R. 3102, took aim at seven of the worst corporate welfare programs in the Federal budget, including the Market Promotion Program, the U.S. territorial possessions tax credit, and the Export Enhancement Program. I was extremely pleased when legislation was signed into law last year, Public Law 104–188, that eliminated the territorial possessions tax credit. Eliminating this program, which gave companies a tax break for sending good U.S. job abroad, will save taxpayers $10.6 billion over the next 10 years.

While the premise of my new bill remains the same—to reduce corporate welfare—I have expanded the scope of my legislation, and added a lockbox mechanism to ensure that all savings and revenue go directly toward deficit reduction. This bill would save $35.3 billion over 5 years by ending eight corporate welfare programs and reforming four others. Because I've limited this legislation to the most egregious examples, my bill is a litmus test for anyone is serious about ending corporate welfare. In short, this bill puts a balanced budget, jobs, education, and a clean environment ahead of handouts to Fortune 500 companies and special interests.

The legislation I am introducing today represents an important step in the effort to end wasteful spending and balance the Federal budget. I urge you and my other House colleagues to cosponsor and support the Corporate Responsibility Act.

The Corporate Responsibility Act of 1997 would:

Eliminate the Export Enhancement Program [EEP]: The U.S. Department of Agriculture [USDA] subsidizes the export of agricultural commodities by paying exporters cash bonuses to export agricultural products. Since its inception in 1985, EEP has paid out more than $7 billion in bonuses, mostly to giant agribusinesses. Taxpayers should not be asked to hand out these corporate giveaways or subsidize the purchase of food products by foreign consumers. Estimated savings: $2.1 billion over 5 years.

Eliminate the Market Access Program [MAP]: USDA subsidizes foreign advertising costs of multinational and U.S. corporations, such as McDonalds and Wrangler. MAP—formerly known as the Market Promotion Program—funds consumer-related promotion of products through trade shows, advertising campaigns, commodity analysis, and training of foreign nationals. Taxpayers should not be asked to pick up the tab for the advertising costs of large companies that can afford to advertise on their own. Estimated savings: $350 million over 5 years.

Overhaul the 1872 Mining Act: Allowing foreign companies to buy public land for $2.50 per acre and pay no royalties on the valuable minerals extracted is a license to steal that should be revoked. Many of the mining interests that benefit from this system are not even U.S. companies. My bill would establish a leasing system and require these companies to pay an 8-percent royalty on the valuable